

DATELINE:

LABOR & WORKFORCE DEVELOPMENT

A quarterly publication for employers from the Tennessee Department of Labor & Workforce Development
June 2002



Feds give \$162.6 million boost to Trust Fund

The Job Creation and Worker Assistance Act of 2002, Public Law 107-147, included a distribution of Reed Act funds to state Unemployment Compensation Trust Funds. Reed Act distributions occur when all federal accounts in the national Unemployment Trust Fund exceed their statutory limits. Reed Act funds may be used for the payment of benefits and the administration of state Employment Security programs. Tennessee's share of this Reed Act distribution was \$162,633,730.

This additional money will help stabilize the Trust Fund and save employers additional premium costs.

Tennessee's Unemployment Insurance Trust Fund fell more than \$224 million in 2001, from \$858.8 million on December 31, 2000, to \$634.3 million on December 31, 2001. Beginning January 1, 2002, for the first time since July 1, 1983, Tennessee employers experienced a higher Premium Rate Table.

Because the Trust Fund balance was below \$675 million on December 31, 2001, employers were assigned rates based on

Premium Rate Table 4 for the first two quarters of 2002. Projections had shown that an even higher premium rate table was possible, effective July 1, 2002.

Now, because of the \$162.6 million boost, the Trust Fund balance most likely will not fall below \$600 million on June 30, thereby avoiding a higher rate table for the last half of 2002. In fact, with sufficient improvement in the economy, the Trust Fund could be above \$675 million on June 30, which could represent lower taxes for many employers.

This new law also provided up to 13 weeks of 100 percent federally funded extended benefits (Temporary Extended Unemployment Compensation, TEUC) to eligible claimants who have exhausted their regular benefits. The last payments of this extension will be for the week ending December 28, 2002. Since TEUC is 100% federally funded, these benefits are not charged to employers' accounts and will not be paid from Tennessee's Trust Fund.

Rate notices coming soon

In late August or early September, the department will mail annual premium rate notices to all premium-paying employers. The notice provides your premium rate effective July 1, 2002. It also shows your experience record through December 31, 2001, as well as your reserve ratio. You should retain the premium rate notice for future reference. There is a \$25 charge for preparing and mailing a duplicate rate notice.

When you receive your rate notice, check the numbers for possible errors. You have 30 days to ask for a redetermination of your premium rate if, based on what you reported to the department, you believe your rate notice includes an error in premiums paid,

benefits charged, or taxable payroll, or if you think any of the calculations are incorrect.

Any redetermination request must be in writing and must be received within 30 days of the mailing of the premium rate notice. Requests should be sent to

Employer Services – Rates Unit
Tennessee Department of Labor & Workforce Development
500 James Robertson Parkway – 8th floor
Nashville, TN 37245-3555

Routing Box

- ☐ Personnel Director
- ☐ Manager
- ☐ Payroll Officer
- ☐ Other

Take advantage of federal tax credits

On March 9, 2002, President Bush signed into law the Job Creation and Worker Assistance Act of 2002. This legislation, in part, extends the Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit for a 24-month period through December 31, 2003, and makes the reauthorization retroactive to the previous expiration date of December 31, 2001.

During the last federal fiscal year, which ended September 30, 2001, the Tennessee Department of Labor & Workforce Development issued approximately \$110 million of potential tax savings to Tennessee employers who participated in the WOTC and W2W tax credit programs.

Employers who have questions about these two programs are advised to contact **Roger Littlejohn**, state WOTC/W2W coordinator, at (615) 741-6473 or 1-800-432-5268 (in-state only).

Reminder on taxable wages

Tennessee's unemployment insurance taxable wage base is \$7,000. Remember when preparing your quarterly wage and premium report that while you report the total wages you paid to each employee in the quarter, **you only pay premiums on the first \$7,000 you pay to each employee during the calendar year.**

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Taxable wages (cont.)

Wages of more than \$7,000 that you pay to an employee in a calendar year are "Excess Wages" for unemployment insurance purposes. Enter the amount of your Excess Wages for the quarter on line 2 of the Premium Report (LB-0456). This amount is then deducted from Total Wages on line 1 to arrive at Net Taxable Wages for the quarter. Remember, Excess Wages can never be more than the amount of Total Wages. An example calculation is included in the instructions on the back of your premium report.

If you discover that you failed to correctly deduct Excess Wages on a prior quarter's report, please do not attempt to make an adjustment on your current quarterly report. Taxable wage corrections should be made on a Claim for Adjustment or Refund form (LB-0459). To obtain the form, contact your Employer Accounts office or our Employer Accounting Unit at (615) 741-1619. You can also download form LB-0459 from our Web site at <http://www.state.tn.us/labor-wfd/esdiv.html> by selecting Employer Services, then Useful Forms.

For help with UI reporting . . .

Listed below are the Employer Accounts offices located across the state. Staff can help you complete quarterly reports and answer other questions related to unemployment insurance reporting.

Chattanooga Employer Accounts

(423) 634-6220 Fax (423) 634-6354
311 Martin Luther King Blvd
Chattanooga, TN 37403
P.O. Box 231
Chattanooga, TN 37401-0231
Susan.Bauer@state.tn.us

Columbia Employer Accounts

(931) 380-2507 Fax (931) 380-2586
204 West Fourth St.
Columbia, TN 38401
P.O. Box 1019
Columbia, TN 38402-1019
Vickey.Powe@state.tn.us

Cookeville Employer Accounts
(931) 526-3531 Fax (931) 528-6447
263 West Spring St.
Cookeville, TN 38501
P.O. Box 696
Cookeville, TN 38503-0696
Linda.Bussell@state.tn.us

Humboldt Employer Accounts

(731) 784-7666 Fax (731) 784-7537
1481 Mullins St.
Humboldt, TN 38343
P.O. Box 386
Humboldt, TN 38343-0386
Steve.Bunch@state.tn.us

Johnson City Employer Accounts

(423) 952-2261 Fax (423) 952-6057
206 High Point Drive
Johnson City, TN 37601
P.O. Box 90
Johnson City, TN 37605-0090
George.Young@state.tn.us

Knoxville Employer Accounts

(865) 594-6380 Fax (865) 594-6357
1515 Magnolia Ave.
Knoxville, TN 37917
P.O. Box 2031
Knoxville, TN 37901-2031
Billie.Grant@state.tn.us

Memphis Employer Accounts

(901) 543-7543 Fax (901) 543-7882
1309 Poplar Ave.
Memphis, TN 38104
P.O. Box 41378
Memphis, TN 38174-1378
Andrew.House@state.tn.us

Nashville Employer Accounts

(615) 741-2621 Fax (615) 741-3472
2232 Metro Center Boulevard
Nashville, TN 37245-4100
Kimberly.Barney@state.tn.us

TDLWD works on alien labor backlog

The Tennessee Department of Labor & Workforce Development's Alien Labor Certification Unit is currently experiencing delays with processing applications for alien labor certification. The delay is due to the 245(i) Legal Immigration Family Equity (LIFE) Act that went into effect on December 21, 2000.

The LIFE Act allows any alien in the United States who filed a permanent work application with a state employment service agency on or before April 30, 2001, to remain legally in the U.S. while his/her application is being processed. Because of this legislation, Tennessee was inundated with applications.

Presently we are processing reduction-in-recruitment and permanent applications that were received during April 2001. We work applications in a specific order as specified by the United States Department of Labor (USDOL). The order of review for these cases is temporaries first, then reduction-in-recruitment, and finally, permanent applications.

USDOL has developed a Web site that provides extensive information regarding alien labor services. It also provides the processing dates for each state, which are updated on a monthly basis. The URL for this site is <http://workforcesecurity.doleta.gov/foreign.asp>.

Should you have questions regarding applications for alien labor certification, contact **Robin Wright**, alien labor coordinator, at (615) 741-3780.

Numbers

TN unemployment rate (April 2002) 5.3%

TN unemployment rate (April 2001) 4.3%

US unemployment rate (April 2002) 6.0%

US unemployment rate (April 2001) 4.5%

UI trust fund (April 2002) \$653.9 million

UI trust fund (April 2001) \$768.4 million

The Tennessee Department of Labor & Workforce Development is an equal opportunity employer. Auxiliary aids and services are available upon request to individuals with disabilities.

El Departamento del Trabajo y Desarrollo de la Fuerza Laboral de Tennessee es un patrono que ofrece igualdad de empleo. Ayudas auxiliares están disponibles para individuos con impedimentos.



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